

## **Speech to NAFTA Meeting in San Antonio May 30, 2002**

I thank Assistant Secretary Read Van de Water for the invitation to attend, to learn and also to speak today. Motor Coach Canada, which I represent, is a national association representing Canadian motor coach operators and tour operators. I am honored to be asked and to have the opportunity share the podium with Peter Pantusso.

Gracias a NAFTA, esta tarde las asociaciones estan juntas para la primera vez. Espero vernos reunidos y trabajando juntos en el futuro.

US Trade Representative Robert Zoellick was quoted a few months ago saying; “NAFTA is much more than a trade agreement; it is a form of creating a North American community.” He is right. North America is becoming a cultural, economic and political entity on its own – it is more than a geographic concept. North American integration has been taking place in our industry. As examples: Coach USA and it’s Coach Canada subsidiary; Greyhound US and Greyhound Canada both bought by Canadian Laidlaw. Witness IRP and IFTA integration for registrations and fuel tax collections.

It has been a long time since we started discussing and developing NAFTA. At the beginning there were so many concerns in our Canadian industry, even fears, about how it would affect Canadian operators and our industry.

Most of those fears have not materialized with the implementation of NAFTA. The problems of our industry today – at least in Canada – are low Returns on Investment and lack of growth in passengers and revenues – even with the population and economic growth that we have had. NAFTA is not responsible for these problems.

Until now we as Canadian bus and tour operators have generally related our NAFTA or Free Trade issues just to the United States as we have only one border. This border stretches some 5000 km on land and 3000 km on water making it the largest undefended border in the world. The Travel Industry Association of Canada reports that over 200

million people cross between our two countries each year. Travel across this border is essential for virtually all of our coach operator members as they operate either scheduled services, charters, shuttles or tours, to and from the US on a regular basis. Canadians also enjoy the economic benefit of the many charters and tours that come to Canada from the US. In the future we hope to have Mexican and Canadian carriers operating tour and travel services to and from Mexico – but admittedly the distance between the Mexico and Canada border will not encourage a significant passenger movement by coach between Mexico and Canada at least not yet.

But Canadians want to visit and see Mexico - and it is more than the beaches during our winter months – it's your attractions, your mountains and your the culture, past and present – just as I am sure many people from Mexico want to visit and see my Canada – our attractions, mountains and our culture, past and present.

Over the years our industry has proven the economic benefit of motor coach tours between Canada and the United States – \$8000 -\$10,000 per day per coach – and the social benefit of scheduled bus services such as between Montreal/New York, Vancouver/Seattle, Winnipeg/Grand Forks and Toronto/New York. We need to eliminate, or at least minimize, the remaining barriers, ensure new ones do not rise up and do this while ensuring the safety and security of our passengers and of all residents.

What value is the ability to freely cross a border if we are not safe and secure in doing so? What value is there in being safe and secure if we can not be free – free to travel between our countries?

Freedom is not 15 hour waits at a land border crossing and stacks of paper work with forms and permits.

Our industry needs to work with governments to ease travel across our borders for law abiding people while maintaining safe and secure environment for all residents. Some believe what will affect this travel is the different immigration policies of our

governments. Governments, Canada included, have to accept the global environment has changed – the terrorism threat of today can not be dealt with through the legislation and the rules of immigration established 5-10-15-20 years ago. We must find the balance of a fair and just immigration policy and our right to security without creating barriers to cross the borders between us. Maybe it means a perimeter clearance system around North America.

Safety on the highways can not be compromised. In Canada and the United States we have developed standards that have created the safest form of public transportation. What we have to work on is the enforcement of these fair and consistent standards of safety – not just across states and provinces but across our three countries.

With respect to permits and registrations Canada and the US have moved the yardsticks over the last 15 years. The development of IFTA and IRP simplify the registration, the processes and the paperwork, if not the amount of dollars we pay – ie reduce the barriers to travel. NAFTA is needed to ensure barriers of this or any nature are not imposed at borders.

Anything that adds to the cost of doing business is a deterrent and a barrier. A recent example of a potential cost for Canadians to cross the border is the US proposed rule making that would require all coaches – scheduled and charter entering the US to have a FMVSS certification stamp. I am told by MCI that coaches made for Canada would not need any material changes to obtain FMVSS stamp but companies would have to have an MCI representative travel to all the operators facilities, confirm details of each bus by comparing numbers, issue a certification stamp and install it on the coach – all of which is a cost without any benefit. US carriers do not need the equivalent to enter Canada and we do not need the Canadian government imposing such just because the United States does it to Canadian carriers.

Some US bus companies consider the economic regulation for buses that is still in place in most parts of Canada as being a barrier to entry into Canada. For a coach charter to

come into Canada and tour, there generally is no barrier – some provinces have a small fee and a rubber stamp process. In most provinces, though, there is a requirement to obtain an operating license to do point to point service in Canada or to pick up in Canada. NAFTA allows for economic regulation by Canada or the United States or Mexico, under the ‘national treatment’ clause, Article 1202. What this means is Canada treats foreign carriers in this regard the same as we treat Canadian carriers.

However, Canadian immigration and customs laws do not allow point to point service in Canada with out the use of a Canadian driver and the ‘importing’ of the coach anyway. I believe this is the same policy that US immigration has - Canadian and US immigration law is in essence ‘mirror legislation’ in this regard.

Having said all that, economic deregulation of the bus industry in Canada is being considered as I speak. The Minister of Transport has asked the Canadian Senate to review this issue of deregulation and report to him. NAFTA refers to a review of ‘liberalization’ in Annex 1212 of the agreement.

In closing, our futures so overlap. If these barriers to trade between our countries are truly broken down, then NAFTA allows carriers in all three countries to seize opportunities to grow our business, to grow tourism and travel – and in the words of Robert Zoellick – “to create a north American Community”.

Thank you. Gracias. Merci.